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City of Show Low Receives WIFA Grant To Conduct Well Site Feasibility Study

PHOENIX (Jan. 30, 2004) Water Infrastructure Finance Authority of Arizona (WIFA) Chairman Steve Owens today announced award of a \$20,000 technical assistance grant to the city of Show Low. The city will contribute a local match of \$20,000.

Show Low plans to design and develop a new production well to augment the city's current drinking water supplies to meet projected demands in the next few years.

"WIFA's board of directors is pleased to support Show Low's efforts to plan for future water needs," said Owens, who is also director of the Arizona Department of Environmental Quality. "The grant will provide the technical evaluation required to identify and develop the best additional drinking water source with the least impacts on the aquifer."

The grant project, to be performed by Clear Creek Associates, will include identifying well sites and conducting a hydrologic and impact study on the groundwater.

Once the best well site option is identified, the engineer will prepare technical specifications and bid documents and assist the city to analyze construction bids.

Current demand for water is 2.2 million gallons a day during peak months. Within 2 to 3 years city officials project the demand to reach production limits which are about 3.3 million gallons.

The new production well enables the city to keep pace with growth and development.

"This grant is the first WIFA assistance provided to Show Low," said Jay Spector, WIFA executive director. "We welcome the opportunity to work more closely with the community to address its water and wastewater infrastructure needs."

(more)

About the Water Infrastructure Finance Authority of Arizona

The Water Infrastructure Finance Authority of Arizona (WIFA) is an agency of the state authorized to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation, and other water quality facilities/projects. Generally, WIFA offers borrowers below market interest on loans for 100% of eligible project costs.

As a "bond bank", WIFA is authorized to issue Water Quality Bonds on behalf of communities for basic water infrastructure. By pooling different entities' financing needs, WIFA provides significant savings through reduced borrowing amounts, lower interest rates, and shared/reduced closing costs.

WIFA's principal tools for providing low interest financial assistance include the Clean Water Revolving Fund (CWRF) for publicly held wastewater treatment projects and the Drinking Water Revolving Fund (DWRf) for both publicly- and privately-held drinking water systems. Both funds are capitalized by contributions from the state and the US Congress. Presently Arizona receives about \$20 million in federal allocations annually for the wastewater and drinking water infrastructure construction improvements.

The formula used by Congress for wastewater allocations is based on 1970's data. If the formula were based on current population and infrastructure needs, the state would receive 4 or 5 times the current allocation of approximately \$9 million.